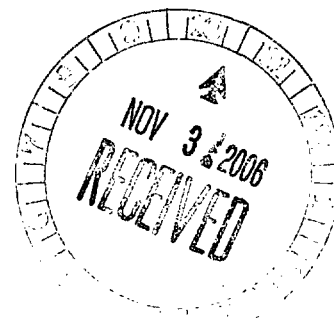


RECORDATION NO. 22581-333 FILED

NOV 03 '06

2-26 PM

SURFACE TRANSPORTATION BOARD



VIA UPS 2nd DAY AIR

November 1, 2006

FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 500
Rosemont, IL 60018-4214

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and one (1) copy of a Memorandum of Lease Agreement dated October 30, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation Number 22581.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Cascade and Columbia River Railroad
c/o RailAmerica
5300 Broken Sound Blvd., N.W.
Boca Raton, FL 33489

A description of the railroad equipment covered by the enclosed document is forty-six (46) 2740 cubic foot gondola cars, with NOKL marks (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$34.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5397. Thank you for your cooperation in this matter.

Very truly yours,

Marcia Dunne
Rail Documentation Specialist

Enclosures

ASSGN. NO.: CSCD120

MEMORANDUM OF LEASE

NOV 03 '06

2-26 PM

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 30th day of October, 2006 by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation and Cascade and Columbia River Railroad Co. ("Lessee"), a Delaware corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement, dated as of June 15, 1997, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 113 to the Lease (the "Rider") as described in more particular on Exhibit A attached hereto, effective as of April 22, 2006, and subject to the terms, conditions and provisions of the above mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: Richard F. Seymour
Name: RICHARD F. SEYMOUR
Title: Vice President Sales & Marketing

By: Susan Grokulska
Name: SUSAN GROKULSKY
Title: MGR. OF DOCUMENTATION

Executed on this 30th day of October, 2006

[CORPORATE SEAL]

STATE OF ILLINOISCOUNTY OF COOK

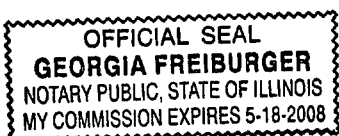
I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 30th day of October, 2006.

[Signature]
Notary Public

My Commission Expires:

5-2008
(Notary Public)



LESSEE:

CASCADE AND COLUMBIA RIVER RAILROAD COMPANY

ATTEST:

By: David McCloud
Name: David McCloud
Title: Manager - Fleet

By: TC Owen Jr
Name: TC Owen Jr
Title: SVP Business Development

Executed on this 24TH day of October, 2006.

[CORPORATE SEAL]

STATE OF FLORIDA
COUNTY OF PALM BEACH

I, Kristin Dunlap, a Notary Public of the County and State aforesaid, certify that Thomas C. Owen, Jr. personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 24th day of October, 2006.

PERSONALLY KNOWN: X
PRODUCED I.D.: —

Kristin Dunlap
Notary Public

My Commission Expires:
12.27.09
(Notary Public)

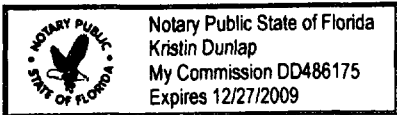


EXHIBIT A to MEMORANDUM OF LEASE

NUMBER OF CARS: Forty-six (46)

DESCRIPTION OF CARS: Gondola cars, 52'6", 2740 cu. ft., 263 GRL

CAR NUMBERS:

NOKL	323087
NOKL	323088
NOKL	323090
NOKL	323091
NOKL	323092
NOKL	323093
NOKL	323094
NOKL	323095
NOKL	323111
NOKL	323121
NOKL	323122
NOKL	323123
NOKL	323124
NOKL	323125
NOKL	323159
NOKL	316106
NOKL	316120
NOKL	316122
NOKL	316188
NOKL	316203
NOKL	316209
NOKL	316210
NOKL	316228
NOKL	316239
NOKL	316240
NOKL	323056
NOKL	323057
NOKL	323081
NOKL	323082
NOKL	323083
NOKL	323084
NOKL	323085
NOKL	323086
NOKL	323096
NOKL	323112
NOKL	323114
NOKL	323115
NOKL	323116
NOKL	323117
NOKL	323118
NOKL	323119
NOKL	323128
NOKL	323156
NOKL	323157
NOKL	323158
NOKL	323160
Count:	46